

STATE OF TEXAS §
COUNTIES OF ARANSAS §
SAN PATRICIO AND NUECES §
CITY OF ARANSAS PASS §

On this the 19th day of August, 2014 the Aransas Pass Municipal Development District (APMDD) convened in a Regular Meeting being open to the Public at the meeting place thereof in the Aransas Pass City Hall and notice of said meeting giving the time, place, date and subject hereof having been posted and prescribed by Chapter 551 of the Texas Government Code with the following attendance to wit constituting a quorum.

PRESENT:

HOPE COMINGORE	President
KAREN GAYLE	Vice President
VICKIE ABREGO	Secretary
TERRY STANSBERRY	Treasurer
EDELMIRO GARCIA	Director
BYRON MCLAUGHLIN	Director
ELIZABETH DORRIS	Director

ABSENT: Jim Covington, Stephen Walls

CITY STAFF PRESENT:	Sylvia Carrillo	City Manager
	Yvonne Stonebraker	City Secretary
	Donna Cox	Finance Director
	Sarah Lee	Civic Center Manager

OTHERS PRESENT:

(There may have been others present who did not sign in.)

ITEM 1.

CALL MEETING TO ORDER.

President Comingore called the meeting to order at 6:30 p.m. and declared there was a quorum.

ITEM 2.

CONSIDER AND ACT ON APPROVAL ON JULY 15, 2014 MINUTES.

Director Dorris made a motion to approve the July 15, 2014 minutes. Vice President Gayle seconded the motion and the motion was approved. Secretary Abrego abstained from the vote because of her absence in that meeting.

ITEM 3.

REVIEW AND DISCUSS CURRENT FINANCIAL STATEMENTS.

Finance Director Cox reviewed the balance sheet with the board. There is around \$474,000.00 in TexPool. Almost \$80,000 in sales tax was received for August. Total assets are \$556,976.12. The revenue account was met 92% of its budget goal with two more months to the current fiscal year remaining. Interest income was below the budgeted amount. Bond payments were paid in July.

The Civic Center met almost 90% of its budgeted revenue goal for the fiscal year. Total expenditures were 82% of its budgeted amount. The building maintenance line item was at 498% of its budgeted amount because it was supposed to be adjusted into the Fiscal Year 2012-2013 financials. However, it was not part of the adjustments made by the auditor. Putting the adjustment in that budget now will increase the deficit, which would require the board to cut another check to offset the cost. The expense could just be absorbed in the current year's budget. The board and City staff agreed to add a footnote in the line item to explain why the item appears to be over budget.

Director McLaughlin asked why the Workman's Comp line item was at 379% of its budgeted amount and the unemployment insurance line item was at 179%. Finance Director Cox explained that the unemployment rate was misidentified throughout the whole City budget. Similarly, workman's comp insurance is dependent on employee depending on rate. Therefore, help received from Public Works has a different workman's comp rate than those who regularly work at the Civic Center and results in higher than budgeted expenses. City Manager Carrillo said that there should be a separate line item to differentiate those varied rates from permanent staff. Vice President Gayle asked if city employees borrowed to help with the Civic Center could be codified with an appropriate rate relevant to the Center when working there. City Manager Carrillo said that they would look into the possibility.

Director McLaughlin also asked why the Utilities – Telephone line item was over budget. Civic Center Manager Sarah Lee explained that the

Telephone and Internet were a bundle and expensed together. The Utilities – Telephone and Internet Expense line items should eventually balance out.

ITEM 4. **CONSIDER AND ACT ON APPROVAL OF INVOICES FOR PAYMENT.**

There were no invoices for payment.

ITEM 5. **REVIEW AND DISCUSS PRELIMINARY FY 2014-15 BUDGET.**

The MDD Board of Directors reviewed the following budget:

ACCOUNT	DESCRIPTION	BUDGET
Revenue		
400-410-01	Sales Tax Income	(825,000.00)
400-460-05	Interest Income	(250.00)
	Total:	(825,250.00)
Expenses		
600-610-01	Office Supplies	-
600-630-04	Advertising Services	-
600-630-05	Attorney Fees	1,000.00
600-630-08	Auditor Fees	3,000.00
600-630-15	Insurance Errors/Omissio	950.00
600-630-20	Personnel Services	900.00
CIVIC CENTER	FF&E	-
600-700-61	FF&E Schedule Sept 15, 2	-
600-700-68	Civic Center - Storage U	
new line item	Civic Center Maintenance	80,000.00
DEBT SERVICE	Total Expenses:	85,850.00
960-800-10	Principal - COO's 2002	
960-800-20	Interest - COO's 2002	
960-800-35	Principal - Refunding 20	165,000.00
960-800-36	Interest - Refunding 200	108,171.88
960-800-40	Agent Fees - Refunding 2	
960-800-50	Principal - Civic Center	175,000.00
960-800-51	Interest - Civic Center	114,268.00

960-800-53	Agent Fees-Civic Center	
	Total Debt Service	562,439.88
	OTHER SOURCES/USES	
960-810-40	Operating Transfer Aquat	
960-810-45	Civic Center Budget Defi	252,000.00
	Total Other:	252,000.00
	Grand Total: (surplus in parenthesis)	75,039.88
as of 8/19/14		

Finance Director Cox explained that the auditor fees' line item should be corrected to \$3,000.00. President Comingore asked what the projected budget deficit would be for FY 2013-14. The year-to-date Revenue Over/(Under) Expenditures line item as of August 11 was (\$163,841.00). Finance Director Cox said the final amount would be dependent on the expenses for the remainder of the year. President Comingore asked how much was budgeted for. Finance Director Cox responded the budgeted deficit amount was \$209,000. President Comingore then asked why, in comparison to the current year's projected deficit, next year's projected deficit was \$252,000. City Manager Carrillo responded that it was because of the cost of the additional staffer.

Finance Director Cox also said there was a new line item in the budget for Civic Center – Maintenance that was budgeted for \$80,000. It would be accessed on an “as needed” basis, similar to how the Crime Control grants worked. The grand total would be a deficit of \$75,039.88. Treasurer Stansberry commented that if the Civic Center didn't use the Civic Center – Maintenance line item, they would be in the positive. Vice President Gayle asked if the debt service were accurate or correct numbers.

ITEM 6.

PUBLIC HEARING ON PROPOSED FISCAL YEAR 2014-2015 ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT BUDGET.

Treasurer Stansberry opened the public hearing for the proposed fiscal year 2014-2015 Aransas Pass Municipal Development District Budget at

6:55 p.m. Secretary Abrego said that Alfredo Flores had a concern about the fees charged at the Civic Center in comparison to other area community centers. President Comingore advised that she thought the information may be better suited for the Civic Center Activities agenda item. City Manager Carrillo commented that she thought that Civic Center Manager Sarah Lee was doing an amazing job in terms of keeping the Center well run. Staff was working on getting more rentals and easing policy. She thanked the board for working with City staff to improve the Center. Director Dorris commented that weekends were not the problem but rather weekdays being filled. That issue was the reasoning behind hiring another staffer. Treasurer Stansberry reminded commenters that the hearing was on the proposed FY 2014-15 budget. Treasurer Stansberry closed the public hearing at 6:59 p.m.

ITEM 7.

CONSIDER AND ACT ON PROPOSED ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT 2014-2015 BUDGET.

Treasurer Stansberry made a motion to approve the proposed Aransas Pass Municipal Development District budget for Fiscal Year 2014-2015 with the deficit. Director Garcia seconded the motion and the motion carried unanimously.

ITEM 8.

CONSIDER AND ACT ON PURCHASING A CERTIFICATE OF DEPOSIT.

Finance Director Cox presented various options for certificates of deposit from Homeport Federal Credit Union, Suntide Credit Union, Gulf Coast Federal Credit Union, Navy Army, and Coastal Community and Teachers Credit Union. Treasurer Stansberry asked how much could be invested. Finance Director Cox responded that easily \$100,000 could be invested. Director McLaughlin asked how safe it would be, budget-wise, to invest a certain amount of money while being able to afford payments on the Civic Center deficit. Finance Director Cox suggested investing \$100,000 at two years and investing another \$100,000 at a shorter term. With a shorter term investment, the board could assess if interest rates were higher once the investment expires or see what sales tax revenues were amounting to.

President Comingore asked how soon money would need to come out of the account. The board talked about bond payments and the Civic Center deficit, which is paid after the audit. There would have to be enough money in the bank to cover the bond payment. Director McLaughlin suggested doing a six month CD. President Comingore asked what would happen if the bond payment came up and there was not enough in the bank to pay on it. City Manager Carrillo said they could borrow against the City or the City would wait on receiving the money for the deficit.

Treasurer Stansberry suggested that even a three month CD is better than the interest income currently being received from TexPool. He further suggested getting a 6 month CD for \$100,000 and staggering the maturity dates on the CDs. Director McLaughlin suggested getting three \$100,000 CDs at 6, 12 and 18 month maturities. Finance Director Cox commented that the account would be pulled tight and suggested getting two CDs at 6 and 12 month maturities. Director McLaughlin stated that

the board could get a \$100,000 CD at a one year maturity and a \$100,000 CD at a six month maturity.

President Comingore asked if the CDs would be in the Municipal Development District name. Finance Director Cox replied yes. President Comingore asked if the money would be coming out of the TexPool account and if there would a problem with pulling the money from that account. Finance Director Cox replied that yes it would be coming out of that account but there would not be a problem taking the money out.

Director McLaughlin asked if there would be any way to move the remaining amount after the CD money is removed into a checking account with interest or something similar. Finance Director Cox suggested moving into the Texas Class investment pool and explained the new City bond money was invested in that pool.

Director McLaughlin made a motion to purchase a \$100,000 Certificate of Deposit for six (6) months and \$100,000 Certificate of Deposit for one year from Gulf Coast Federal Credit Union. Vice President Gayle seconded the motion and the motion carried unanimously.

ITEM 9.

CONSIDER AND ACT ON APPROVING A JOB DESCRIPTION FOR A NEW POSITION AT THE ARANSAS PASS CIVIC CENTER.

City Manager Carrillo commented that a Consider and Act was not necessary but rather, staff wanted to show the board the job description. Director McLaughlin suggested adding "bilingual" to the description. President Comingore commented that she was impressed with the description. Treasurer Stansberry suggested listing the specific software skills needed.

ITEM 10.

CONSIDER AND ACT ON AMENDING THE BYLAWS OF THE ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT CHANGING TERM EXPIRATION DATES TO SEPTEMBER 30 OF EACH YEAR AND PRESENTING THE AMENDMENT TO THE ARANSAS PASS CITY COUNCIL FOR APPROVAL.

President Comingore explained that the item was a result of learning that five out of the nine members' terms expired on July 31. Director McLaughlin made a motion to accept the change as suggested.

City Manager Carrillo asked why Section 1, Item C of the bylaws read that "Directors shall be persons who are not employees, officers of the City or members of the City Council." President Comingore replied that there was an item that should be in the bylaws saying that two of the members can be someone within those groups. City Manager Carrillo suggested clarifying the language but also commented that the language may be found in the Local Government Code. President Comingore said that possibly a wrong version of the bylaws may have printed for the

board's perusal but the updated version should have the correct numbers. City Manager Carrillo stated that the Local Government Code allows for those groups. The board discussed locating the current bylaws and updating them at the next meeting.

Director McLaughlin asked why the bylaws excluded Aransas County. City Secretary Stonebraker and President Comingore explained that the MDD did not receive their sales tax and that Aransas County's sales tax was maxed out when the MDD sales tax was established. President Stansberry also commented that the new meeting date and time needed to be included in the bylaws.

Treasurer Stansberry made a motion to amending the bylaws of the Aransas Pass Municipal Development District changing term expiration dates to September 30 of each year and presenting the amendment to the Aransas Pass City Council for approval. Vice President Gayle seconded the motion and the motion passed unanimously.

ITEM 11.

CONSIDER AND ACT ON AUTHORIZING CITY STAFF TO ADVERTISE FOR BOARD APPLICATIONS.

Passed on.

ITEM 12.

UPDATE ON CIVIC CENTER ACTIVITIES.

Civic Center Manager Sarah Lee said that they were finishing a busy summer season and September was a bit slower. Only two permanent staffers are working since one of the staffers was on maternity leave. The Civic Center is booked from December to March.

City Manager Carrillo said that the City was looking at updating their accounting software so hopefully online payment would be available soon. Advertising for the new job opening will begin soon.

ITEM 13.

CITIZENS COMMENTS.

City Manager Carrillo explained that the City also did a comparative analysis comparing the Civic Center to other local facilities. She said that on a per square foot basis, the Civic Center rates are comparable. The Civic Center would need to be booked 90% of the time to break even; however, subsequent operating costs would rise with those increased bookings. Therefore, the Civic Center would never be a lucrative money maker. Typically, civic centers in general are not money makers. There is also the debt service cost but once that is paid off, renovations would be needed. Events that needed to be brought in were corporate-type events during the weekdays not weekend parties/events.

Vice President Gayle asked if anyone discussed the difference in the size of the facilities with Mr. Flores. City Manager Carrillo responded that she had a detailed conversation with him and explained, as well as the effect of policy on the facility. Director McLaughlin suggested creating a two-tier pricing structure for personal/private use and for corporate/businesses to address the complaint. Secretary Abrego added that the complaint also included allowing renters to bring their own food and alcohol, regardless of the size of the party. Director McLaughlin said that at the Moose Lodge when the facility is rented out for an event involving alcohol, an insurance fee would have to be charged. President Comingore suggested allowing outside food but not allowing renters to use the kitchen. Civic Center Manager Sarah Lee said that it was currently allowed for small parties but if the option was to be considered, that the deposit should be increased as non-caterers tend to create more wear and tear on the facility amenities. Finance Director Cox suggested discounting non-premium times at the Center. Civic Center Manager Lee and City Manager Carrillo explained that state alcohol regulations and liability considerations limited what could be allowed at the facility. City Manager Carrillo said they would draft a new food policy for the board's review.

ITEM 14.

ADJOURNMENT OF MEETING.

Director Garcia made a motion to adjourn the meeting. Director McLaughlin seconded the motion and the motion was approved unanimously.

President Comingore adjourned Meeting at 7:51 P.M.

Hope Comingore, President

ATTEST:

Vickie Abrego, Secretary